

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Siberian Pipeline

NSC Review Completed.

Mr. President, we plan to follow-up on your Ottawa commitment to consult with our European allies on their plans to increase imports of natural gas from the Soviet Union. We propose to point out the questionable economics of the proposed pipeline deal and specific energy alternatives. We also intend to emphasize our serious concern about the security implications of the project and the vulnerabilities that might arise. The pace and momentum of Soviet-West European negotiations are great. We are not confident of our ability to turn the allies around, but intend to make a major try.

A high level delegation led by Mike Rashish will leave on Tuesday to consult in Bonn, Paris, and Rome. We will report to you immediately upon their return.

